



Introductions

Planning Team:

Lorraine Roach, The Hingston Roach Group

lroach@thrgroup.com, 208-983-2175

Gail Brockbank, Premier Planning

gailb@mt.net, 406-442-4141

Clint Blackwood, Blackwood & Associates

clint@virtualmontana.com, 406-431-5020

Kate McMahon, Applied Communications

kate@appcom.net, 406-863-9255

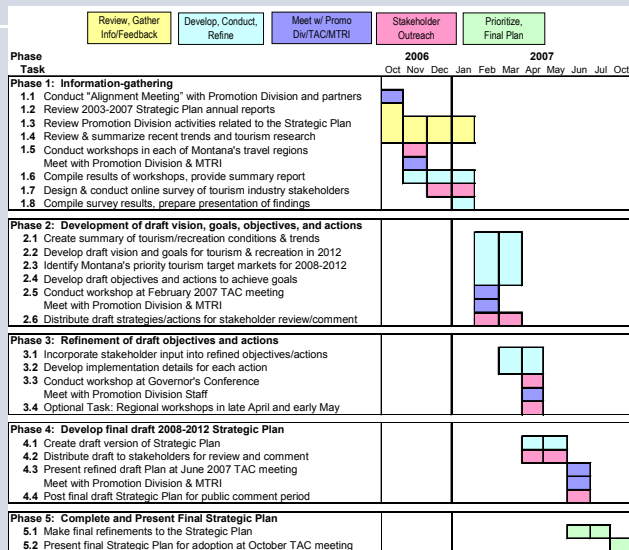
Participants....

Agenda

- 2008-2012 Strategic Plan process, timeline, and expectations
- Tourism & Recreation Trends
- Current Strategic Plan Overview
- Montana Marketing Efforts
- Breakout Groups:
 - Vision for Tourism & Recreation in 2012
 - Key Issues facing Montana's Tourism & Recreation Industry, Agencies & Organizations
 - Strategic Plan Implementation
- Reports, Wrap Up & Next Steps

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Strategic Plan Process & Timeline



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Expectations for Stakeholders

- Participation in workshops
- Identify key issues, opportunities, successes, insights re. trends and markets
- Feedback via online survey, draft materials posted to web site for review
- Willingness to participate in an objective evaluation of Montana's tourism and recreation industry, its competitiveness in the context of state and global trends, changes needed to be more competitive, and bold actions that can be taken to achieve the vision

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Tourism & Economic Development:

Trends Observed to Date

Socio-Economic Trends
National/Global Tourism Trends
Montana Tourism & Recreation Trends

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Why Tourism?

- “New money” to Montana’s economy
- Support services and attractions that benefit Montanans’ quality of life
- Social exchanges: share experiences, meet new people, etc.
- Attract new business investment in Montana (economic development)

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“Economic Development” is Happening When:

- The standard of living is increasing.
- A “real” increase in the level of average household income is occurring.
- The local tax base is meeting the escalating cost of government services.
- Business and industry is investing more in the community than they are “costing” the community.



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Economic Development

The process is facilitated through:

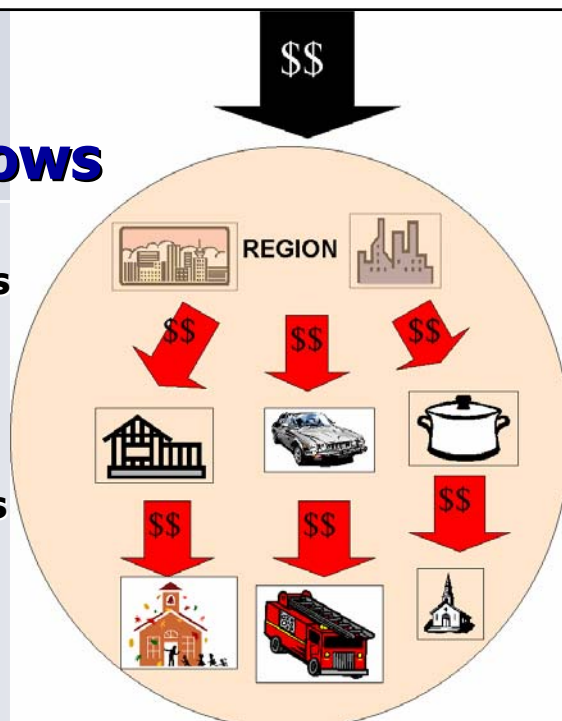
- Development of a skilled workforce
- Investment in the physical infrastructure
- Creation of new jobs at higher wages
- Improvement of the business environment
- Availability of marketable land and buildings
- Maintenance of the environment
- Improvement of the quality of life
- Marketing and promoting the community and region

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How the Money Flows

75% of businesses depend on wealth attracted from outside the community by 25% of companies with national and global markets.

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Major Trends Affecting Montana's Economy

- Global economy
- Knowledge-based economy
- E-manufacturing
- Shift to services
- Small business dominance
- Focus on workforce & education
- Aging population (avg. age of ATV buyers is 56)
- Quality of life
- Regionalism (linkages between communities)



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Potential Issues for Tourism

- In 2010, U.S. workforce shortage will be 10+ million without increase in immigration
- Obesity at epidemic proportions
- 1-in-3 Gen Y's is not white, 1-in-4 grew up in a single parent home
- 1-in-5 Americans speak a language other than English at home
- Women still plan family trips
- People over 50 own 77% of the nation's wealth, spend most time traveling



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National/Global Tourism Trends

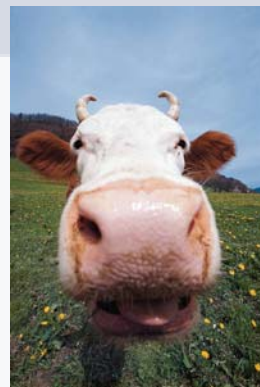
- World tourism grew 52% from 1992 to 2004, but U.S. share decreased from 9.4% to 6%
- Leisure travel is 81% of all domestic travel, business travel is 19%
- 75% of all travel is by car, 16% by air (increased 9% from 2003 to 2004)
- International visitation growing 5-7% per year
- 80% of adult travelers include an historic or cultural activity on their trip
- Boomers & GenXers “want it their way”



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So What?

- Trend is toward customization of tourism products: niche experiences and packages
- Threat: “Generica” – homogenization of communities & landscapes (“If the destination looks just like home, why go?”)
- Promotions targeting families and couples must appeal to women (and be easy to buy)



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Montana

Socio-Economic Trends

- Population ↑ 33,475 from 2000 to 2005
 - Projected to grow another 33,000 by 2010
 - Growth is fueled by in-migration, not birth/death
- Newcomers bring income, but growth often not paying for itself (shifts costs to existing residents and businesses) – result is income divisions
- Montana Per Capita Personal Income, Median Household Income, and Average Wages per Job:

| | 2000 | 2003 | 2004 | 2005 |
|---------------|----------------|--------|----------|----------------|
| PCPI | \$17,151 | - | - | \$28,906 |
| | (47th in U.S.) | | | (41st in U.S.) |
| Median HHI | \$33,024 | - | - | \$36,200 |
| Avg Wage/Job | \$24,084 | - | \$27,721 | - |
| Poverty Level | 13.30% | 14.20% | | |
| Median Age | 37.5 | | | 39.9 |

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Income & Poverty

MEDIAN HOUSEHOLD INCOME

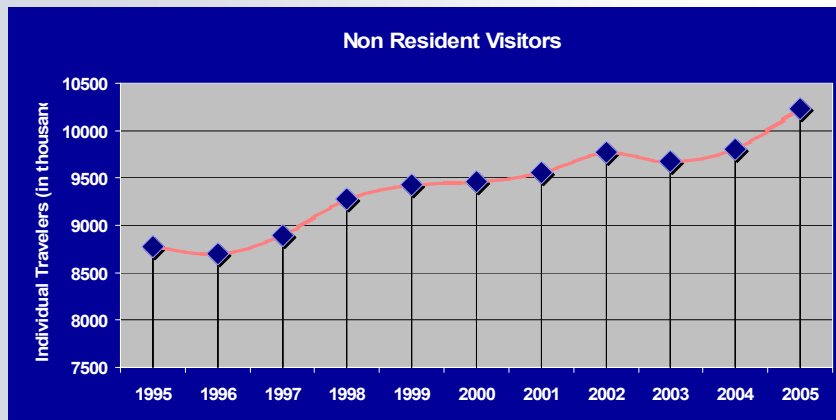
| State | 2003/2004 | Rank | 2004/2005 | Rank | % Change |
|---------------|-----------|------|-----------|------|----------|
| Idaho | \$45,404 | 26 | \$45,009 | 26 | -0.9% |
| Montana | \$35,644 | 48 | \$36,200 | 49 | 1.6% |
| North Dakota | \$41,708 | 37 | \$41,362 | 40 | -0.8% |
| South Dakota | \$42,212 | 36 | \$42,816 | 35 | 1.4% |
| Wyoming | \$46,038 | 21 | \$45,817 | 23 | -0.5% |
| UNITED STATES | \$45,893 | -- | \$46,071 | -- | 0.4% |

POVERTY RATE OF ALL AGES

| State | 2004 | Rank | 2005 | Rank |
|---------------|-------|------|-------|------|
| Idaho | 9.9% | 13 | 9.9% | 12 |
| Montana | 14.1% | 37 | 13.8% | 36 |
| North Dakota | 9.7% | 11 | 11.2% | 20 |
| South Dakota | 13.4% | 36 | 11.8% | 26 |
| Wyoming | 9.9% | 15 | 10.6% | 17 |
| UNITED STATES | 12.7% | -- | 12.6% | -- |

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Montana Non Resident Visitation 1995-2005



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Montana Non Resident Visitation Trends

- Total actual expenditures increased 44% from 1995 to 2004 (\$1.36 billion to \$1.96 billion)
- 2005 nonresident visitors: 10.12 million
 - Expenditures: \$2.7 billion
 - Longer length of stay by approx. ½ day
 - Slightly larger travel group sizes
 - More visitors with higher incomes

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Montana Tourism Trends

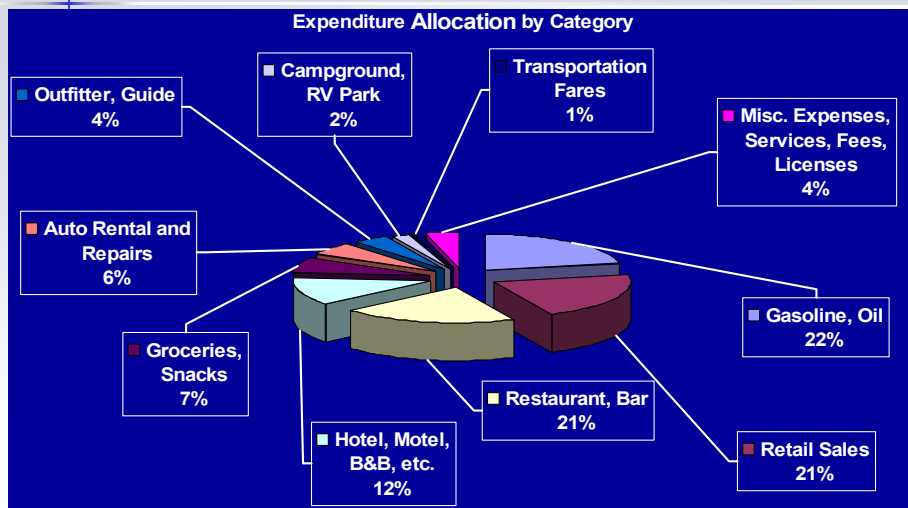
From 2001 to 2005:

- **Vacation** travelers ↓ from 41% to 34% (-473,480)
- **VFR** travelers ↑ from 14% to 19%
- **Pass-thru** travelers ↑ from 24% to 27%
- Travelers who earn \$100,000+ ↑ 7%
- Number of visitors from ID and WY ↑
- More travelers flew: 30% in 2005, vs. 19% in 2000
- Canadian visitation ↑ 2%, but % overseas flat
- Overnights in commercial lodging ↓ 4%, but overnights at friends/family homes ↑ 8%

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Montana Tourism Trends

- Total lodging sales rose 25% from 2001 to 2005



2005 Lodging Tax Collections

| <u>Country</u> | <u>Amount</u> | <u>% Ttl</u> |
|------------------------|---------------------|--------------|
| Glacier Country | \$4,519,533 | 31% |
| Yellowstone Country | 4,286,364 | 30% |
| Custer Country | 2,345,619 | 16% |
| Gold West Country | 1,789,673 | 12% |
| Russell Country | 1,323,326 | 9% |
| Missouri River Country | <u>270,152</u> | <u>2%</u> |
| Montana | \$14,534,668 | 100% |

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Tax Collections 2001-2005

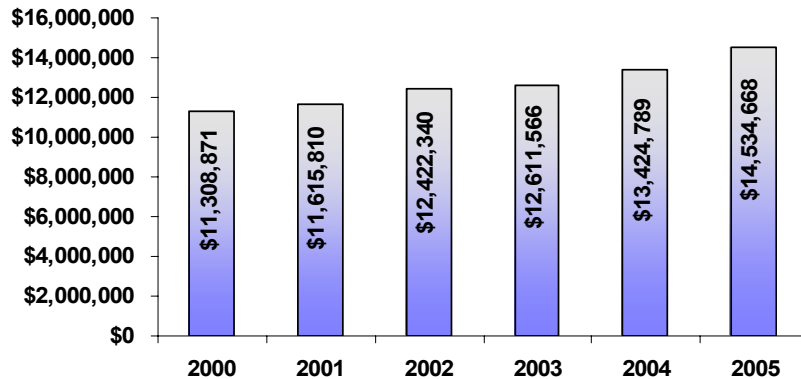
| | |
|--------------------------------|------------------------------|
| Yellowstone Country 28% | Glacier Country 28% |
| W. Yellowstone CVB 20% | Kalispell CVB 18% |
| Bozeman CVB 30% | Missoula CVB 20% |
| Big Sky CVB 25% | Whitefish CVB 28% |
| Custer Country 15% | Gold West Country 26% |
| Billings CVB 7% | Butte CVB 18% |
| Miles City 71% | Helena CVB 31% |
| Missouri R. Country 34% | Russell Country 24% |
| | Great Falls CVB 25% |

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Montana Lodging Tax Trends

Montana Lodging Tax Revenue 2000 - 2005

Source: Montana Department of Revenue

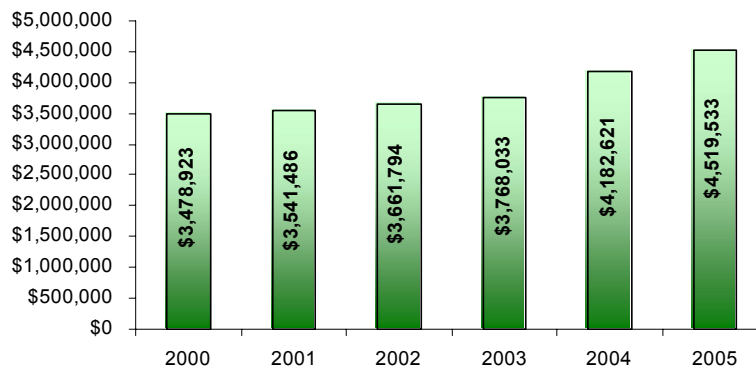


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Glacier Country

Glacier Country Lodging Tax Revenue 2000 - 2005

Source: Montana Department of Revenue

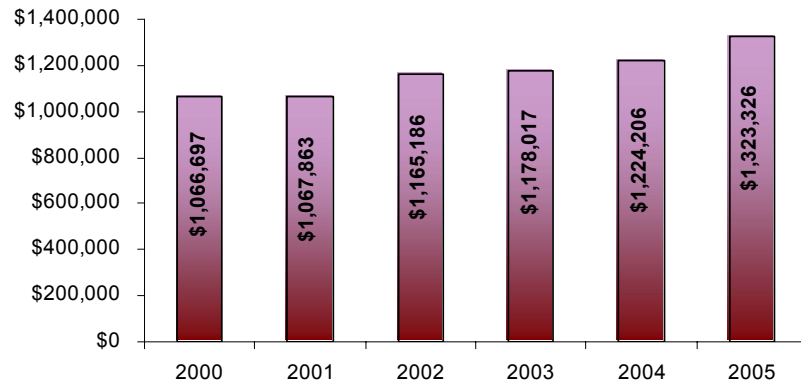


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Russell Country

Russell Country Lodging Tax Revenue 2000 - 2005

source: Montana Department of Revenue

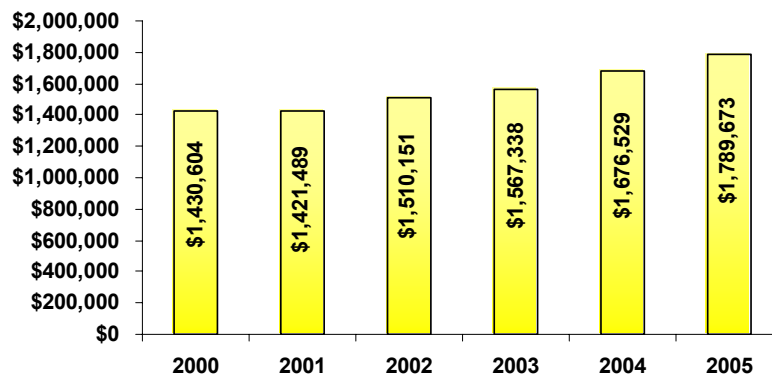


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Gold West Country

Gold West Country Lodging Tax Revenue 2000 - 2005

Source: Montana Department of Revenue

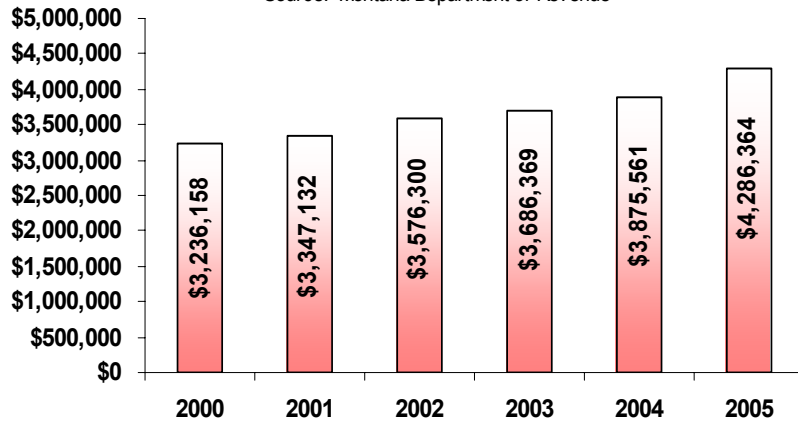


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Yellowstone Country

Yellowstone Country Lodging Tax Revenue 2000 - 2005

Source: Montana Department of Revenue

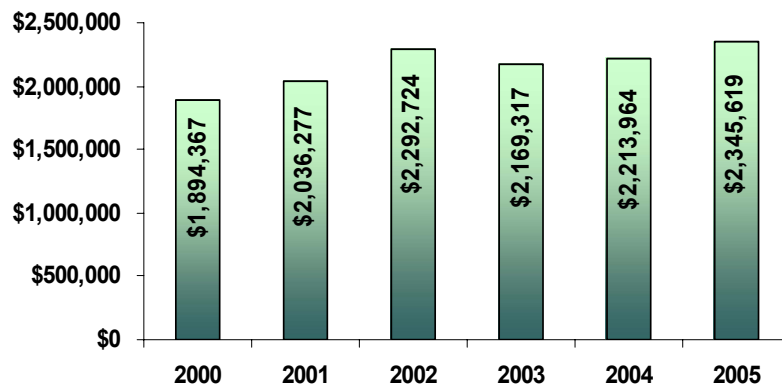


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Custer Country

Custer Country Lodging Tax Revenue 2000 - 2005

Source: Montana Department of Revenue

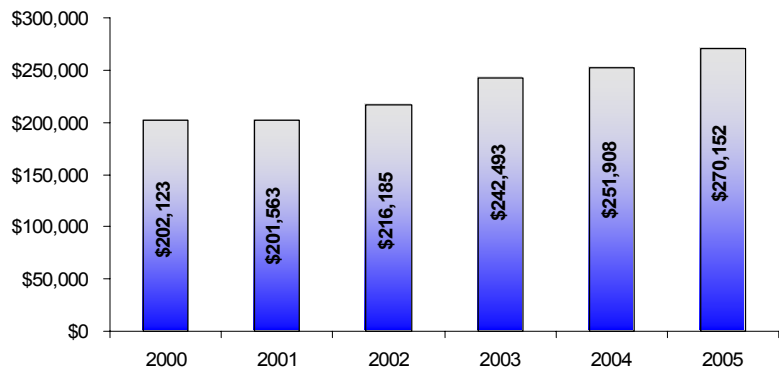


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Missouri River Country

**Missouri River County: Gross Lodging Tax Revenue
Year 2000 - 2005**

source: Montana Department of Revenue



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Montana Accommodations

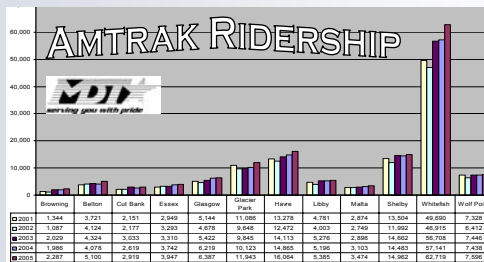
■ Accommodations Properties by Region

| | <u>1999</u> | <u>2006</u> | <u>% Chg</u> |
|-----------------------|--------------|--------------|--------------|
| Custer | 130 | 143 | 10% |
| Glacier | 439 | 523 | 19% |
| Gold West | 210 | 232 | 10% |
| Missouri River | 51 | 52 | 2% |
| Russell | 138 | 149 | 8% |
| Yellowstone | 420 | 392 | -7% |
| Statewide | 1,388 | 1,491 | 7% |

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Montana Tourism Trends

- Total visitors served by Montana VICs ↑ 13% (May-Sept 2002 vs 2006)
- Montana commercial airline enplanements rose 18% from 2001 to 2005
- Amtrak Montana station passengers increased 17% from 2001 to 2005 (117,850 vs 142,783)



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Montana Public Lands Visitation

- Visits to 7 Montana National Parks increased by 6% from 2001 to 2005



Ft. Union Post -13%
Grant Kohrs -13%
Bighorn Canyon -19%
Ltl BigHorn Btlfld -2%



- Visits to Montana State Parks grew 30% from 2001 to 2005, from 1.34 million to 1.75 million
 - Most of increase is residents: 70% of visitation in 2003, 79% in 2005 due in part to elimination of day use fees
- Visits to the nine Montana National Forests exceed 9 million annually

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Montana Sportsmen

Anglers (fishing license buyers, 2003):

- 53% residents (227,562, representing 33% of all adult Montanans)
- 47% nonresidents (200,647)
- Nonresidents represented 800,723 angler days in 2003, (29% of total angler days, vs. 71% of total angler days for residents)

Hunters (2003):

- 74% residents 16 years and older (representing 24% of Montana population age 16+, the highest level of resident participation in the nation)
- About 39% of adult male residents and 13% of adult female residents purchase a hunting license annually
- Nonresidents represent only 26% of Montana hunters

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Montana Skiing Trends

Skier Visits (15 facilities reporting):

- Overall increase of only 9% from 1998-99 season to 2005-06 season
- Decrease of 18% from 2003-04 to 2004-05
- Rebound of 30% in 2005-06 from 2004-05
- 2005-06 season had most skier visits in Montana history: attributed to good snow year, increase of resident skiing and snowboarding, and targeted promotions to Seattle and Minneapolis markets



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New Attractions

- Dinosaur Museum – Ft. Peck & Malta
- Dinosaur Trail
- Bear Paw Battlefield Visitor Center
- Cultural Visitor Center – Havre
- Rails to Trails (St. Regis to Taft)
- Copper King Express – Passenger Train
- Continental Divide Trail; Crown of Continent GTI
- Pompeys Pillar Interpretive Center
- Travelers Rest S.P. expansion
- Butte-Anaconda Nat'l Labor Landmark Dist
- RMEF - Missoula



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2003-2007 Montana Tourism & Recreation Strategic Plan

*"It is strategic thinking and acting that
are important, not strategic planning."*

*-John Bryson, Strategic Planning for
Public and Nonprofit Organizations*

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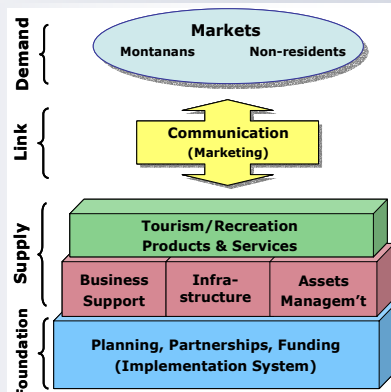
Plan Guiding Principles

- Serve Montanans' needs first
- Manage for sustainability
- Maximize economic and social benefits
- Retain local control
- Respect diverse needs and perspectives
- Collaborate to resolve issues

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Market-Driven Approach

- Demand & Supply
- Priority Action Areas:
 - Managing Information
 - Managing Assets
 - Creating Teams
- 22 Objectives, 90+ actions
- 5-year implementation timeline



Infrastructure refers to tourism-related facilities, signs, visitor centers, transportation, utilities, etc.

Assets Management refers to sustainable management of MT's natural, historic & cultural assets.

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State & Regional Marketing Efforts



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State Marketing Efforts

- Consumer Publications: vacation planner, winter guide, highway map, event calendar, Indian reservations brochure, kid-friendly Montana, L&C
- Electronic Marketing: web sites, Oracle database, VICs, Siebel support/VISITS, blogs, podcasting
- Tourism Development/Education: TIIP and SEGP grants, Cultural Tourism program, Scenic Byways, SuperHost, Governor's Conference, workshops, Visitor Info Centers, Strategic Planning, MTRI/MTTA
- Overseas Marketing: Rocky Mtn Int'l, trade offices, marketing workshops, lead generation, advertising/promo
- Industry Services: receive/process inquiries, disburse lodging tax funds

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State Marketing Efforts

- Publicity, Photography, Public Information: media marketing, regions/CVBs, press coverage dev't, media team dev't, image library, media coverage report, outreach & education, Intranet site, newsltr
- Group Travel: travel trade events, magazine campaign, promotions, fam tours, group tour guide
- Meetings/Conventions: trade show assistance, ad campaigns, Invite-A-Convention, web site
- Montana Film Office: sales calls, ad agency, Big Sky on the Big Screen, directories, direct mail, locations trade show, co-ops, film festivals, scouting
- Consumer Marketing: print/web/TV advertising, MT Kids!, 3Parks, Invite-A-Friend, research, co-ops, direct mail, ski campaign, Sled the Rockies

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Region/CVB Target Markets

Most Common:

- Families
- Empty Nesters/Active Mature
- Outdoor Enthusiasts (age 35+)
- Meeting/Conventions/Tour Groups

Other:

- Heritage/History
- Travel Writers
- Adventure 19 to 30 year olds
- Campers



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Region/CVB Target Markets

Less Emphasis:

- Business Travelers
- Women
- 19-30 years old

Geographic Target Markets

- Most common – WA, CA, CO, OR
- Secondary markets – MN, IL, TX
- Half target adjoining states (SD, ND, ID, WY)

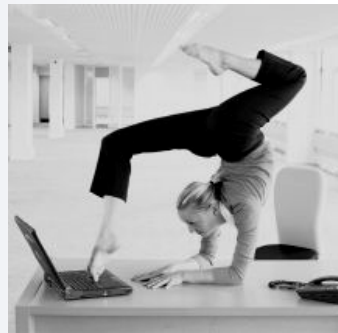


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Region/CVB Marketing Efforts

Common Strategies:

- Marketing: Web Sites, Print Ads, Publications, PR, Trade Shows, Cross Marketing. Some TV ads & billboards.
- Groups / Meetings: FAM Tours
- Partnerships: cross marketing, downtown & ED association



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Region/CVB Marketing Efforts

Other Efforts:

- Tourism Infrastructure: Visitor centers, meeting/conf. space, kiosks, rest areas, signage, camping/lodging
- Customer Service: Expand visitor center hours, toll free numbers, hospitality training
- Education/Outreach: Work with Local officials on positive impacts of tourism



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Region/CVB Marketing Efforts

Recognize Need, but Limited Resources:

- Planning: Preserve amenities, address challenges, transportation issues
- Support Services: Tech support for web pages, information tracking, convention planning, crisis management, wireless Internet



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Region/CVB Challenges

- Lack of info about conferences/groups booked
- Lack of Awareness about attractions/benefits
- Misperceptions (Glaciers, Fires, Environ.)
- Transportation – Remote, air travel costs, lack of public transportation, gas prices
- Inadequate services (lodging, store hours, signage, meeting space)
- Year Round Marketing
- Preserve amenities



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Vision and Key Issues and Actions for 2008-2012

Breakout Groups



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2003-2007 Strategic Plan

- What's working? Challenges?
- Implementation & Reporting: how has it gone?
- How to improve for 2008-2012?

*"If you don't measure results, you
can't tell success from failure.*

*If you can't see success,
you can't reward it.*

*If you can't reward success, you're
probably rewarding failure."*

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Next Steps

- Info-gathering continues...
- Regional Outreach Workshops:
 - Yellowstone Country, Nov. 13, Bozeman
 - Custer Country, Nov. 14, Billings
 - Missouri River Country, Nov. 15, Wolf Point
 - Russell Country, Nov. 28, Great Falls
 - Gold West, Nov. 29, Butte
 - Glacier Country, Dec. 4, Missoula
 - Glacier Country, Dec. 5, Kalispell
- Online Survey of Stakeholders

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Questions?



THANK YOU!!



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